

BEFORE THE
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF:

LAWRENCE D. ZEA

Complainant,

VS .

No. 06-0350

PEOPLES ENERGY SERVICES
CORPORATION,

Respondent.

Complaint as failure to honor
contract in Chicago, Illinois.

Chicago, Illinois

June 13th, 2006

Met, pursuant to notice, at Chicago.

BEFORE:

JOHN T. RILEY, Administrative Law Judge

APPEARANCES :

MR. LAWRENCE D. ZEA
838 Salem Lane
Carpentersville, Illinois 60110
for himself;

MARK L. GOLDSTEIN PC, by
MR. MARK L. GOLDSTEIN
108 Wilmot Road
Suite 330
Deerfield, Illinois 60015
(847) 580-5480
for ComEd.

1 ALSO PRESENT:

2 Ms. Wendy Ito and Ms. Amy Klaviter from Peoples
3 Energy Services Corporation

4

5 SULLIVAN REPORTING COMPANY, by
6 Alisa A. Obecny, CSR
7 License No. 084-004588

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I N D E X

<u>Witnesses:</u>	<u>Direct</u>	<u>Cross</u>	<u>Re- direct</u>	<u>Re- cross</u>	<u>By Examiner</u>
None .					

E X H I B I T S

<u>Number</u>	<u>For Identification</u>	<u>In Evidence</u>
None .		

1 JUDGE RILEY: Pursuant to the direction of the
2 Illinois Commerce Commission, I call Docket 06-0350.
3 This is a complaint by Mr. Lawrence D -- is it Zea?
4 MR. LAWRENCE ZEA: Zea.
5 JUDGE RILEY: -- Zea versus Peoples Energy
6 Services Corporation, failure to honor contract in
7 Chicago, Illinois.
8 Mr. Zea, you are appearing without
9 counsel; is that correct?
10 MR. LAWRENCE ZEA: Yes, sir.
11 JUDGE RILEY: Okay. I advise you that you can
12 retain counsel anytime you want.
13 Mr. Goldstein, you're here on behalf
14 of Peoples Energy Service Corporation --
15 MR. GOLDSTEIN: Yes.
16 JUDGE RILEY: Please enter an appearance, will
17 you, please.
18 MR. GOLDSTEIN: Mark L. Goldstein, 108 Wilmot
19 Road, Suite 330, Deerfield, Illinois 60015. My
20 telephone number is (847) 580-5480. I'm appearing on
21 behalf the Peoples Energy Services Corporation.
22 I have with me today Wendy Ito --

1 that's I-t-o -- and Amy Klaviter, K-l-a-v-i-t-e-r,
2 both of Peoples Energy Services.

3 JUDGE RILEY: Okay. This is our first meeting
4 with regard to this matter having been filed on May
5 2nd, 2006. This is a prehearing conference so
6 there's no matter of evidence or anything like that
7 to be taken.

8 Mr. Zea, your complaint is pretty
9 straightforward, very cut and dry. You allege that
10 you had a contract with Peoples Energy Services for
11 five years at \$.62 a therm. Now, was this for your
12 home?

13 MR. LAWRENCE ZEA: Yes, sir.

14 JUDGE RILEY: Okay. The bill went up within
15 two years and you said that they alleged -- that when
16 you called them, they explained to you that you had
17 only a two-year contract that had expired in
18 August 2005.

19 MR. LAWRENCE ZEA: Right, sir.

20 JUDGE RILEY: Okay. And is that pretty much
21 the sum and substance?

22 MR. LAWRENCE ZEA: Basically, it is. When I

1 first contacted them about this, they said that they
2 had mailed me a letter in July that my term expired
3 in August, which never arrived in my house. I've
4 never received anything from them at my house.

5 I never received a copy of a contract
6 from them until after this was brought before the
7 Commission. They sent me a blank contract, which
8 doesn't say anything. It doesn't give term -- time
9 or efforts.

10 JUDGE RILEY: And this was all at 838 Salem
11 Lane in Carpentersville?

12 MR. LAWRENCE ZEA: Yes, sir.

13 JUDGE RILEY: Okay. So there's no other
14 address involved here?

15 MR. LAWRENCE ZEA: No, sir.

16 JUDGE RILEY: Okay.

17 MR. LAWRENCE ZEA: When I started to talk with
18 them, they said that because I had failed to accept
19 or notify them back in August, that they put me often
20 on an availability list or whatever -- you pay at the
21 current rate.

22 JUDGE RILEY: Mm-hmm.

1 MR. LAWRENCE ZEA: And I called them in
2 November, I believe it was, talked to somebody in the
3 office and told them that I wanted out of the
4 program. And they told me that was fine, they would
5 take care of it.

6 JUDGE RILEY: This was in August of...?

7 MR. LAWRENCE ZEA: No, this was around
8 November.

9 JUDGE RILEY: November of 2000...?

10 MR. LAWRENCE ZEA: 5.

11 JUDGE RILEY: Okay.

12 MR. LAWRENCE ZEA: December, January, I noticed
13 when I got my bill, it still showed Peoples Energy.
14 So I called them up, I said, I thought you were going
15 take my name off -- Well, you have to send us a
16 letter to that effect. And so I sent a letter to
17 Peoples Energy, somewhere in the conglomeration. I
18 got their response that they had taken me off. We
19 received your cancelation request for natural gas at
20 838 Salem, dated January 13th. It took about another
21 month before that would take place.

22 I called and talked to them many

1 times. At one juncture, the young lady that I spoke
2 with said, We have a tape recording of the contract
3 when you made it. I hope maybe you've got that
4 recording with you, if you have it today.

5 JUDGE RILEY: No. Direct your remarks at me.
6 We can get to that.

7 MR. LAWRENCE ZEA: I hope they have a copy of
8 that program. And she said, Would you like to hear
9 it. And I said, Yes. And, so, she said, Well, just
10 a minute and she punched in a bunch of numbers and
11 the machine said there was no contract by that
12 number. Whoops, let me try it again and she
13 contacted it again, same resulted. She said, Maybe
14 my telephone isn't working right, I'll get ahold of
15 one of my supervisors and we'll try to get that copy
16 for you.

17 JUDGE RILEY: Okay.

18 MR. LAWRENCE ZEA: About two hours later,
19 there's a -- supervisor called me back, said, We'll
20 now be able to play your recording. She tried it
21 three times and we have nothing to that account
22 number.

1 JUDGE RILEY: Okay.

2 MR. LAWRENCE ZEA: Finally, about a month
3 later, they called me up, and said, We have a copy of
4 the transaction that you made when you made it.
5 Would you like to hear it? And I said, Yes. And the
6 first thing that I noticed in it, when I talked --
7 when I made the contract, was with a lady. And this
8 was a man that was doing the talking.

9 JUDGE RILEY: Okay.

10 MR. LAWRENCE ZEA: The second thing I noticed,
11 if this was being recorded, you could hear him
12 talking just like I'm talking right now, but when it
13 came -- my response, it was computer oriented. This
14 is Lawrence Zea, totally different when I answered
15 than what the person talking with, which could be put
16 in anywhere as far as I'm concerned in the contract.

17 JUDGE RILEY: Okay.

18 MR. LAWRENCE ZEA: And, basically, I contacted,
19 I think, Lisa Madigan first and then she transferred
20 me over to you -- your department here. And
21 basically that's -- at one juncture when this first
22 started, the lady that I spoke with at Peoples said,

1 If you want to, we'll rewrite the contracts for
2 \$0.82. And I said, Well -- at that juncture I said,
3 Maybe I ought to wait a minute and see what happens.
4 Two days later, I get the letter from Madigan, said,
5 if they offer you something, take it. Two days after
6 I talked with them. So I called them back and they
7 said, No, there was no --

8 JUDGE RILEY: Who was "they"?

9 MR. LAWRENCE ZEA: Peoples Energy.

10 JUDGE RILEY: Right. And they said "no" to
11 what?

12 MR. LAWRENCE ZEA: They said there was no -- no
13 more talking about it.

14 JUDGE RILEY: There'd be no more offer, no --

15 MR. LAWRENCE ZEA: No more offering.

16 JUDGE RILEY: So their offer of a contract at
17 \$.82 was pretty much off of the table then?

18 MR. LAWRENCE ZEA: Right. They also told me
19 that at that time that I made my contract that there
20 was no four or five year contracts being made, but we
21 do have one now.

22 This last month in May I tried to look

1 around for a supplier. Peoples Energy, the last week
2 in May was \$1.02 for, I think, a year or for three
3 years, I forget which it was.

4 JUDGE RILEY: Okay.

5 MR. LAWRENCE ZEA: 1.02, 1.07, 1.09, somewhere
6 in that area. And, so, I asked them if I could come
7 back on with them, and they said, Just a minute. Oh,
8 no. Oh, no. You've been gone from us for over
9 45 days, you have to wait a year before you can come
10 back with us.

11 JUDGE RILEY: Yeah. Okay. Was there ever any
12 kind of a written confirmation or contract when you
13 made the initial contract with these people?

14 MR. LAWRENCE ZEA: I heard nothing, had nothing
15 in the mail. It was all over the telephone. The
16 conversations I had on the telephone was all there
17 was. And a month or so after I signed up with it,
18 they started showing Peoples Energy as supplier on my
19 bill.

20 JUDGE RILEY: Okay. Who was the original
21 supplier on your bill?

22 MR. LAWRENCE ZEA: Nicor.

1 JUDGE RILEY: Nicor.

2 That was the people that you
3 originally made the deal with? Well, this is where
4 we are --

5 MR. LAWRENCE ZEA: My problem -- let me just
6 say just one thing if I may, please.

7 When I called -- when we moved into
8 our house in '92, Nicor hooked me up. I didn't know
9 there was anything such as a contract. I signed up
10 with the gas company and that was it.

11 JUDGE RILEY: Right.

12 MR. LAWRENCE ZEA: The same way when I went
13 with Peoples Energy. I didn't know that there had to
14 be a contract that was signed or anything.

15 JUDGE RILEY: Right.

16 MR. LAWRENCE ZEA: And I never heard anything
17 about a contract until after the two years was up
18 when they started raising my rate.

19 JUDGE RILEY: Yeah. That's where I'm confused,
20 is that -- if you started out with Nicor --

21 MR. LAWRENCE ZEA: Yes, sir.

22 JUDGE RILEY: -- and then it says, In

1 August 2003 I took out a contract with Peoples Energy
2 Services, did they solicit you or --

3 MR. LAWRENCE ZEA: They called me on the phone,
4 yes, sir.

5 JUDGE RILEY: Okay. And they offered you that
6 deal at \$.62 a therm for 5 years?

7 MR. LAWRENCE ZEA: Yes, sir.

8 JUDGE RILEY: Okay. So it was their
9 solicitation that induced you to enter into that?

10 MR. LAWRENCE ZEA: Yes. I did -- at that
11 junction, I didn't know that there was anything but
12 Nicor --

13 JUDGE RILEY: All right. Okay.

14 MR. LAWRENCE ZEA: -- until they called me.

15 JUDGE RILEY: Right. Out in the northwest
16 suburbs. Right. Okay.

17 Mr. Goldstein, what does People Energy
18 say about all this?

19 MR. GOLDSTEIN: This is pretty simple as you
20 pointed out at the beginning of the hearing. There
21 is, as far as Peoples Energy Services is concerned,
22 Mr. Zea had a two-year contract with them, the

1 contract expired in September of 2005. He was duly
2 notified of all that, and over a period of time, he
3 chose -- within a few months of that September date,
4 he chose not to renew his agreement with Peoples
5 Energy Services. And, so, he's not being provided
6 gas via Peoples Energy Services. And he only had a
7 two-year contract.

8 I don't think, you know -- I assume
9 from what he said this morning, that he assumes that
10 the tape recording of the agreement between Peoples
11 Energy Services and him was somehow manipulated so
12 that it wasn't in -- wasn't a true recording of what
13 actually occurred. I guess, we could produce the
14 recording and, you know, let you be the judge of
15 that. I think that Mr. Zea has to show that he had a
16 five-year contract. It's that simple.

17 JUDGE RILEY: Okay. And Mr. Zea, you say you
18 don't have any documentation. Do you have any of the
19 bills or anything you were sent after the...

20 MR. LAWRENCE ZEA: I've got some bills, just
21 toward the end.

22 JUDGE RILEY: Right. Okay. But just to

1 reiterate --

2 MR. GOLDSTEIN: Do you have anything that shows
3 in writing that you had a five-year contract?

4 MR. LAWRENCE ZEA: I received no contract from
5 you -- from Peoples Energy except after this came
6 into effect...

7 JUDGE RILEY: But it was your clear
8 understanding in August of 2003 that it was a
9 five-year contract?

10 MR. GOLDSTEIN: Did you ever get a
11 solicitation, something in the mail from Peoples
12 Energy Services?

13 MR. LAWRENCE ZEA: Nothing.

14 JUDGE RILEY: This was a phone solicitation?

15 MR. LAWRENCE ZEA: It was a phone solicitation.

16 MR. GOLDSTEIN: And never got a letter from
17 Peoples Energy in June of 2005 advising you what was
18 involved in your agreement with Peoples Energy
19 Services?

20 MR. LAWRENCE ZEA: No, sir. I've received no
21 mail at all from Peoples Energy until I received the
22 contract that they sent me.

1 I thought I had this in here, the copy
2 of the contract that they sent to me.

3 This is what was sent to me on
4 November 21st, and that's -- on the backside of that
5 is the first time I ever saw anything from the --

6 JUDGE RILEY: This it dated November 21, 2005,
7 and it's from Peoples Energy Services.

8 Now, it was your understanding that
9 regardless of your usage, you would not be billed
10 more than 62 -- where did the 62 therms --

11 MR. LAWRENCE ZEA: Is shows right on here, sir.
12 It shows --

13 JUDGE RILEY: Oh, the \$.62 a therm.

14 MR. LAWRENCE ZEA: Yeah, it shows right on
15 here.

16 JUDGE RILEY: Let me see that again.

17 Okay. Right. And then at 9/9/05, the
18 billing date, it jumps to \$.77 a therm, and then it's
19 back up to \$1.06 by the following October.

20 MR. LAWRENCE ZEA: And then it went up to \$1.39
21 sometime in December or January.

22 JUDGE RILEY: Okay. I think what it comes down

1 to is whether or not this was actually a five-year
2 contract or a two-year contract.

3 MR. GOLDSTEIN: Yes, sir.

4 JUDGE RILEY: And it's Peoples Energy's
5 position that it was a two-year contract.

6 MR. GOLDSTEIN: Yes.

7 JUDGE RILEY: Okay. Kind of helps to find the
8 issue right there. It may come down to that
9 recording.

10 MR. GOLDSTEIN: Maybe.

11 JUDGE RILEY: But, as you say, Mr. Zea, you
12 don't have any other documentation necessary --

13 MR. LAWRENCE ZEA: No. I've never received a
14 contract from them until I received this, and this is
15 not even regards to the therms -- what it was a therm
16 or anything else because it's a contract.

17 MR. GOLDSTEIN: And it's not a contract.

18 MR. LAWRENCE ZEA: Well, it's terms of
19 condition under which Peoples Energy provides you our
20 customer service are detailed in a natural gas
21 agreement.

22 JUDGE RILEY: Well, that would be my next

1 question, is that what document -- the terms and
2 conditions that are listed on the backside of that
3 letter, what -- where would those be -- where else
4 would those be contained? Because if those are the
5 terms and conditions of an agreement, where's the
6 agreement? That's my question.

7 MR. LAWRENCE ZEA: I've never had one.

8 MR. GOLDSTEIN: I think if you carefully
9 examine the documents, Judge, you'll see that that's
10 not an agreement, all that is is a customer advisory
11 as to what the various offerings are.

12 JUDGE RILEY: Let me see it one more time.

13 MR. GOLDSTEIN: If you'd like, I'll have Ms.
14 Ito explain exactly what that is.

15 JUDGE RILEY: Okay. Hold on. It says, The
16 terms and conditions under which Peoples Energy
17 Services provides you, our customer, service are
18 detailed in a natural gas agreement you accepted.
19 That's my question. The agreement includes any
20 subsequent amendment such as pricing notices. Key
21 terms of the agreement include -- where is the
22 agreement? That specifically references an agreement

1 that they had with this customer.

2 MS. WENDY ITO: This is the agreement.

3 JUDGE RILEY: Okay.

4 MR. GOLDSTEIN: There is an agreement, and it

5 just seems sort of strange that he never receives any

6 of the correspondence.

7 JUDGE RILEY: Mr. Zea, do you have any

8 knowledge or record of that?

9 MR. LAWRENCE ZEA: That was the first -- when I

10 started talking with them after I received this --

11 JUDGE RILEY: Okay.

12 MR. LAWRENCE ZEA: They said, Well, if you

13 received that, you received the rest of our mail.

14 JUDGE RILEY: Okay. Yeah.

15 MR. LAWRENCE ZEA: But I've never seen anything

16 in this relationship.

17 JUDGE RILEY: Okay.

18 MR. LAWRENCE ZEA: If this is the agreement

19 that was entered into --

20 JUDGE RILEY: Now, well, let me ask you this as

21 part of Peoples' policy with their customers. Would

22 they have provided him a copy of those terms?

1 MS. WENDY ITO: Yes.

2 JUDGE RILEY: It would have been sent to him?

3 MR. LAWRENCE ZEA: No, ma'am.

4 JUDGE RILEY: Okay. Peoples says, Yes. You
5 say, No, you never got it. Okay.

6 MR. LAWRENCE ZEA: No, I've never received
7 anything, period.

8 JUDGE RILEY: Then that's where we are.

9 MS. WENDY ITO: Our normal policy is to send it
10 with the acceptance. Once we receive acceptance from
11 the utility, we send a letter and a copy of the terms
12 and conditions with that letter.

13 JUDGE RILEY: Okay. And that goes to the
14 customer; right?

15 MS. WENDY ITO: Yes.

16 MR. GOLDSTEIN: As I'm gathering what's going
17 on and, you know, I'm coming to this almost as fresh
18 as you are, Judge, it seems amazing to me that other
19 than the bills, Mr. Zea never received any
20 correspondence between September of 2003 and
21 September 2005.

22 MR. LAWRENCE ZEA: Nothing.

1 JUDGE RILEY: Is it the circumstances that are
2 fresh, or is it that I am fresh?

3 MR. LAWRENCE ZEA: May I ask a question? Is
4 this a general term -- a general form?

5 MS. WENDY ITO: No.

6 MR. LAWRENCE ZEA: Or is this specific.

7 MS. WENDY ITO: That one specific is to the
8 \$.62 agreement.

9 JUDGE RILEY: Okay.

10 MR. LAWRENCE ZEA: But what I'm saying is at
11 the \$.62 because it also has a closing date of
12 September when mine --

13 JUDGE RILEY: September what?

14 MR. LAWRENCE ZEA: '05.

15 JUDGE RILEY: Okay.

16 MR. LAWRENCE ZEA: When mine ended in August of
17 '05.

18 JUDGE RILEY: Okay.

19 MR. LAWRENCE ZEA: August '05 is when they said
20 that my contract ended.

21 JUDGE RILEY: But under any circumstance, you
22 thought yours was going to continue until '08.

1 MR. LAWRENCE ZEA: I certainly did.

2 JUDGE RILEY: That was -- yeah, that's the five

3 years.

4 MR. LAWRENCE ZEA: Five years, right.

5 JUDGE RILEY: August '03 to --

6 MR. LAWRENCE ZEA: And the other thing that

7 really bothered me when they did play it back, it was

8 a young lady that I spoke with.

9 JUDGE RILEY: All right.

10 MR. LAWRENCE ZEA: I know that definitely.

11 JUDGE RILEY: That was your initial

12 conversation then?

13 MR. LAWRENCE ZEA: Yes. And the voice

14 recording they have is of a young man.

15 JUDGE RILEY: Is of a young man for Peoples

16 Energy and you came off as some kind of

17 computerized --

18 MR. LAWRENCE ZEA: Computerized voice on it.

19 JUDGE RILEY: Okay. And is it -- then is it

20 correct to say that you're contesting the billings

21 that you have received since they terminated the \$.62

22 portion of that contract?

1 MR. LAWRENCE ZEA: Yes.

2 JUDGE RILEY: Okay. So that it should have

3 been \$0.62 all the way through the present day?

4 MR. LAWRENCE ZEA: Yes, sir.

5 JUDGE RILEY: Okay. I don't know how you're

6 going to calculate that, but I'll leave that up to

7 you guys.

8 MR. LAWRENCE ZEA: One of the things -- like I

9 said, I usually, when I get my gas bill, pay it. But

10 when I got the one in -- for August, it went from --

11 I don't -- was it \$10.00 or \$17.00 in the

12 summertime -- went up to \$77.00. And I said, Whoa.

13 And I started -- then I looked at it, and it doesn't

14 figure \$0.62 a therm. And that's why I called, is

15 there a mistake somewhere?

16 JUDGE RILEY: Right. Okay.

17 MR. LAWRENCE ZEA: And that's when I was told

18 that it was cancelled.

19 JUDGE RILEY: Then is it correct to conclude

20 that we're at an impasse right now?

21 MR. GOLDSTEIN: Yes.

22 JUDGE RILEY: Because Peoples is going to stick

1 to its position --

2 MR. GOLDSTEIN: Yes.

3 JUDGE RILEY: And, Mr. Zea, you're going to

4 stick to your position?

5 MR. LAWRENCE ZEA: Yes, sir.

6 JUDGE RILEY: All right. Then the next step is

7 a hearing. And that would be formal evidentiary

8 hearing, where you would bring in whatever documents

9 you -- and witness that you believe would help

10 establish your case and --

11 MR. GOLDSTEIN: As I gather it, he has no

12 documents.

13 JUDGE RILEY: Well, Mr. Goldstein, he's still

14 entitled to his day in court. I mean --

15 MR. GOLDSTEIN: I understand that. And I'm

16 just saying --

17 JUDGE RILEY: That's up to him. I mean, if

18 Peoples has their documents then that's pretty much

19 all you have to worry about.

20 MR. LAWRENCE ZEA: It's very difficult to

21 provide documents when you never received them.

22 JUDGE RILEY: Right. Would Peoples Gas --

1 Peoples Energy have any of the documentation that he
2 would have received going back to August 2003 with
3 regard to this contract?

4 MR. GOLDSTEIN: Well, I would believe so. We
5 have what we've handed you this morning, the
6 agreement, and I know we have a letter that was sent
7 to Mr. Zea on June 30th from the Esther Kang
8 (phonetic), the Director of Marketing Customer
9 Communications for Peoples Energy Services. Of
10 course, Mr. Zea says he never received it.

11 MS. WENDY ITO: This letter, too. That's just
12 the template, but that went to all the customers as
13 well.

14 MR. GOLDSTEIN: There's a previous letter from
15 December 11th that went to all the customers, as
16 Ms. Ito just stated, with respect to various terms,
17 discussing specifically that \$0.62 per therm and how
18 long the agreement lasts, two-year agreement.

19 So, I guess, that's our evidence of
20 what we believe occurred. We will see what else we
21 can dig up.

22 JUDGE RILEY: And they're not -- Peoples

1 wouldn't be the least bit willing to, like,
2 compromise for a year or so on the \$.62 a therm?

3 MS. WENDY ITO: We don't have the supply so...

4 JUDGE RILEY: Okay.

5 MR. GOLDSTEIN: Keep in mind too, Judge, that
6 in order to do that, we would -- you know, Peoples
7 Energy Services has to supply for specific therms of
8 gas.

9 JUDGE RILEY: Right.

10 MR. GOLDSTEIN: And it's well beyond that
11 period for Peoples Energy Services to do that.

12 JUDGE RILEY: Okay.

13 MR. GOLDSTEIN: And there's no such thing as
14 large oversupplies where they contract for a
15 substantial therms of gas that are unused. That
16 would not be good in a business sense.

17 MR. LAWRENCE ZEA: The only thing that I would
18 know, and I have no idea how to do it, in September
19 about 9:15 at night there was a young lady that came
20 to our door.

21 JUDGE RILEY: And this was September of '05?

22 MR. LAWRENCE ZEA: '05.

1 Trying to sign people up for services.

2 JUDGE RILEY: Now, what this -- now, this was
3 Peoples --

4 MR. LAWRENCE ZEA: She said Peoples Energy.

5 JUDGE RILEY: All right.

6 MR. LAWRENCE ZEA: It may have been Peoples
7 something else, but I thought Peoples Energy. And I
8 think at that time it was \$0.79 a therm that she --
9 and I said, Why would I sign up for \$0.79 a therm
10 when I've got it for \$.62 for five years? But who
11 the young lady was that came to the door I would have
12 no -- that's the only person that I know of that it
13 was discussed with --

14 JUDGE RILEY: Okay.

15 MR. LAWRENCE ZEA: -- outside of...

16 JUDGE RILEY: All right. Well, that's where we
17 are then. Peoples says two years and you allege five
18 years. There's a recording out there that may or may
19 not shed some light on this.

20 Would Peoples possibly be willing to
21 produce that at hearing?

22 MR. GOLDSTEIN: We will attempt to do that.

1 Ms. Ito and I have had a discussion about attempting
2 to pull that recording off and have it transcribed.
3 We would even be willing to have Sullivan's Reporting
4 do that for us.

5 JUDGE RILEY: Okay. But, then, again, that's
6 going to obviate --

7 MR. GOLDSTEIN: We'll talk to the court
8 reporter afterwards.

9 MR. LAWRENCE ZEA: Right.

10 JUDGE RILEY: That's going to obviate Mr. Zea's
11 allegation, though, that the voice -- that his voice
12 was computerized somehow --

13 MR. LAWRENCE ZEA: Yes, it was very definitely
14 computerized.

15 JUDGE RILEY: So I don't know if that's a --

16 MR. GOLDSTEIN: That was my concern and that's
17 why I didn't immediately volunteer the tape because
18 if Mr. Zea's going to contend that somehow the voices
19 on the tape aren't the true voices of the
20 participants of the telephone conversation, then I
21 don't know what -- you know, you would have to
22 decide, Judge, what probative value that tape has.

1 JUDGE RILEY: Right.

2 MR. GOLDSTEIN: And I don't know how that might
3 help the decision-making in this case.

4 JUDGE RILEY: That will be something for me to
5 deal with when I hear it.

6 MR. GOLDSTEIN: But we would -- as I said, we
7 would be glad to retain the court reporters that are
8 used here, Sullivan Reporting Company, and have them
9 transcribe from the tape. And they would, at least,
10 be able to determine a male voice from female voice,
11 hopefully, and whether there was some alteration of
12 the voice of Mr. Zea.

13 MR. LAWRENCE ZEA: If I may?

14 JUDGE RILEY: Yes.

15 MR. LAWRENCE ZEA: They called me back and
16 played the tape over the telephone. Under the same
17 circumstances, they could call to a telephone in here
18 and you could listen to it over a telephone.

19 JUDGE RILEY: Okay.

20 MR. GOLDSTEIN: Well, I also understood that
21 there was some problem getting the tape. We do have
22 a telephone number for that, which we could provide

1 to you today.

2 JUDGE RILEY: Okay.

3 MR. GOLDSTEIN: And we could have it played at
4 the hearing, and hopefully there would be a
5 transcription on top of that --

6 JUDGE RILEY: That -- I would be much more
7 comfortable if we would be able to verify with actual
8 sounds; right. And I'm not casting aspersions or
9 anything like that, but it's just in the interest of
10 just total disclosure and fairness.

11 MR. GOLDSTEIN: Absolutely, we do have a
12 telephone number for that. We will -- you know, we
13 can provide that as of today.

14 MS. WENDY ITO: And, actually, if you could not
15 have this on the record because it was a confidential
16 password to get into this.

17 JUDGE RILEY: Okay.

18 MR. GOLDSTEIN: We would ask --

19 JUDGE RILEY: That would be protected under any
20 circumstances.

21 MR. GOLDSTEIN: Yes. We would ask that.

22 JUDGE RILEY: There will be no disclosure. No

1 disclosure.

2 MS. WENDY ITO: Plus to reach to get it, you
3 actually have to input Mr. Zea's telephone number as
4 well. So I'm sure he doesn't want that in the record
5 as well.

6 JUDGE RILEY: No. No. All such numbers will
7 be totally confidential.

8 MR. GOLDSTEIN: So we would be happy to do that
9 at the hearing.

10 JUDGE RILEY: All right. Fine. Fine.

11 MR. GOLDSTEIN: And we will make some kind of
12 attempt through the good offices of Sullivan
13 Reporting to see what can be done transcribing --

14 JUDGE RILEY: I think as long as you pay for
15 those good offices you'll get what you need.

16 Now, what -- well, as I say, we're --
17 our next step is to establish a date for hearing so
18 that we can hear all this evidence, see all this
19 evidence. And, again, Mr. Zea, it would be -- let me
20 backtrack a little bit.

21 Would Mr. Zea be -- would you -- would
22 Peoples be amenable to any kind of discovery on

1 behalf of Mr. Zea to provide him with the original
2 contract with the terms of the agreement?

3 MR. GOLDSTEIN: We could provide him with this
4 agreement. We'd be happy to provide him with the
5 June 30th letter that was -- we believe was sent to
6 him and the December 2003 letter --

7 MS. WENDY ITO: Right.

8 MR. GOLDSTEIN: -- that went out to all
9 customers under the \$.62 per therm rate.

10 JUDGE RILEY: Right. Well, what I was going to
11 say is whatever matter, whatever documents pertain to
12 that original \$.62 per therm agreement.

13 MR. GOLDSTEIN: I think that may be it.

14 JUDGE RILEY: That being?

15 MR. GOLDSTEIN: What --

16 JUDGE RILEY: Yeah, whatever he may not have
17 now that he should have gotten back then.

18 MS. WENDY ITO: I don't have copies of the
19 welcome letter. And this is my personal, only copy
20 of this. But, yeah, I definitely could.

21 MR. GOLDSTEIN: We'll provide that within --

22 JUDGE RILEY: All right. Fine. That should

1 largely bring you up to date then.

2 MR. GOLDSTEIN: Certainly, within 14 days we'll
3 provide that.

4 MR. LAWRENCE ZEA: One of the reasons -- and
5 just off tape -- one of the reasons that I was very
6 happy with the agreement that we had originally is in
7 2001, everything we had in savings went in the stock
8 market.

9 JUDGE RILEY: Okay.

10 MR. LAWRENCE ZEA: And this \$.62 was a
11 lifesaver for us.

12 JUDGE RILEY: Okay.

13 MR. LAWRENCE ZEA: And that was one of the
14 reasons why I was so excited about it when we got it.

15 JUDGE RILEY: Okay. That brings us to -- the
16 step would be that, Mr. Zea, you would be -- you are
17 aware that when we do go to hearing, we do reconvene
18 for an evidentiary hearing, it would be your burden
19 to go forward first. You would have the burden of
20 proof to produce documents and then whatever other
21 testimony or witness or whatever else, whatever other
22 evidence you would have to prove that you did have a

1 five-year contract.

2 MR. LAWRENCE ZEA: That's a pretty hard thing
3 to produce.

4 JUDGE RILEY: Yeah, I understand that. Yeah,
5 it is. It's a difficult burden, but that,
6 unfortunately, that is the process. I'm strictly
7 neutral on this matter until I have evidence upon
8 which I can draw -- make conclusions of -- under
9 which I can draw facts. And once I can establish
10 facts, then I can prepare an order, and that's after
11 I've heard both sides.

12 MR. GOLDSTEIN: May I suggest either the 12th
13 or 13th of July for a evidentiary hearing date.

14 JUDGE RILEY: That's right at the 30-day mark.

15 MR. GOLDSTEIN: Wednesday or Thursday?

16 MR. LAWRENCE ZEA: Wednesday would probably be
17 a better time.

18 MR. GOLDSTEIN: That's fine.

19 JUDGE RILEY: We have a bench session that day
20 and those things begin at 10:30.

21 MR. GOLDSTEIN: You want to do that in the
22 afternoon?

1 JUDGE RILEY: I don't want to start that late.

2 MR. GOLDSTEIN: Or do you want to start on the

3 13th.

4 JUDGE RILEY: Is the 13th out of the question?

5 MR. LAWRENCE ZEA: Thursday.

6 JUDGE RILEY: Yeah.

7 MR. LAWRENCE ZEA: Depends on which Thursday of

8 the month it is. I supplemental myself mowing lawns,

9 and I've got about eight yards to mow on -- every

10 other Thursday. And that's why I don't know.

11 JUDGE RILEY: It's the second Thursday of July.

12 The 6th is the first Thursday. The 13th is the

13 second.

14 MR. LAWRENCE ZEA: I'd have to start with

15 today. Let me see if I've got a calendar.

16 JUDGE RILEY: Sure. Go ahead.

17 Are you going to be mowing lawns this

18 week, this Thursday?

19 MR. LAWRENCE ZEA: Yes. I could do them

20 Friday, but I'd rather, kind of, keep them in order.

21 MR. GOLDSTEIN: Yeah. You would be mowing

22 lawns on the 13th.

1 JUDGE RILEY: All right. Let's go back to the
2 12th.

3 JUDGE RILEY. Okay. Yeah, let's go back to the
4 12th.

5 Why don't we, just to be on the safe
6 side, convene at 11:30.

7 MR. GOLDSTEIN: That's fine.

8 JUDGE RILEY: That would probably be -- almost
9 certainly take us through the lunch hour, but I don't
10 know this is going to be an all day thing either.

11 Is that okay? July 12th at 11:30?

12 MR. LAWRENCE ZEA: Right.

13 JUDGE RILEY: Okay. That's a Wednesday.

14 MR. LAWRENCE ZEA: Will you send me a
15 notification?

16 JUDGE RILEY: Oh, absolutely, that will come
17 out from the Clerk's Office and that will have the
18 date and the time and the address. And it will be at
19 this address, but you'll have to find out the
20 conference room once you get here. Because it may be
21 here, it may be downstairs.

22 MR. LAWRENCE ZEA: All right.

1 JUDGE RILEY: So anything further?

2 MR. GOLDSTEIN: I have nothing else.

3 JUDGE RILEY: Okay. Get those materials to

4 Mr. Zea as fast as --

5 MR. GOLDSTEIN: We will.

6 MS. WENDY ITO: Is that via mail or...

7 MR. GOLDSTEIN: We can mail them.

8 JUDGE RILEY: All right. Then we'll leave it

9 at that then. We will reconvene for hearing on

10 July 12 at 11:30 a.m. And at that time the parties

11 will produce their evidence and...

12 MR. GOLDSTEIN: If you do not receive various

13 pieces of correspondence that we've discussed this

14 morning within the next two weeks, please call me.

15 MR. LAWRENCE ZEA: Okay. Call you?

16 MR. GOLDSTEIN: Yes.

17 MR. LAWRENCE ZEA: Okay. I've got your letter

18 in here somewhere.

19 JUDGE RILEY: All right. Then we are recessed

20 until July 12 at 11:30 a.m.

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Thank you very much.

(Whereupon, the above-entitled
matter was continued to July
12, 2006, at 11:30 a.m.)